

## IA 100 Frequently Asked Questions

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### *Generally*

**Q.** My tax software will not correctly fill out the IA 100. What should I do?

**A.** Complete the IA 100 as fully and accurately as possible. Provide a separate statement explaining any missing or inaccurate information on the IA 100. The Department may contact you for additional information if necessary.

**Q.** I sold property in an installment sale. Do I need to submit a new IA 100 every year I claim the Iowa capital gain deduction?

**A.** Yes. Retain a copy of the first IA 100 from the installment sale. You will likely be able to copy most or all of the information onto the IA 100 in the following years.

### *Part II: Details of property sold*

**Q.** On line 2, can I combine more than one purchaser in one row?

**A.** For livestock only, if you sold livestock to more than one unrelated purchaser, you may combine the purchasers by entering "Various Purchasers" in field 2a, and "None" in field 2b. You must separately list each related purchaser of livestock. For property other than livestock, you may not combine purchasers; you must separately list each purchaser of property other than livestock.

**Q.** On line 2, how do I enter information for more than two separate purchasers?

**A.** If you cannot list all purchasers in the space provided on line 2 as required, you must submit a separate statement providing the name and relation of each purchaser.

**Q.** On line 2, what do I enter if I sold livestock or non-realty business assets to more than one purchaser at an auction?

**A.** You may combine all unrelated purchasers at an auction by entering "Various Purchasers" in field 2a, and "None" in field 2b. You must separately list each related purchaser at an auction.

**Q.** In field 2b, what is the preferred wording for an unrelated purchaser?

**A.** If the purchaser is not related to the taxpayer, enter "None" in field 2b.

**Q.** I sold property that I previously depreciated. Where do I show the recaptured depreciation that is treated as ordinary income?

**A.** Only the capital gain qualifies for the Iowa capital gain deduction; ordinary income from a sale does not qualify for the Iowa capital gain deduction. On line 4, enter the basis of the property plus any recaptured



depreciation not treated as capital gain. On line 5, enter the capital gain only from the sale; do not include any ordinary income from the sale.

**Q.** I executed a partially nontaxable exchange, and I received a cash payment in the transaction that is treated as capital gain for federal purposes. How do I report the partially nontaxable exchange?

**A.** On line 3, enter the fair market value of the newly-acquired property. On line 4, enter the basis of the property exchanged. On line 5, enter the amount of the cash payment. Submit a separate statement explaining the transaction.

**Q.** I received an installment payment in 2015, only part of which is taxable capital gain. What amount do I enter in field 7c?

**A.** Enter the amount of taxable capital gain in field 7c. This amount must be adjusted for basis. This amount must not include interest.

**Q.** On line 9, what do I check to show I sold raised livestock?

**A.** Raised livestock is livestock you raised from birth. Check "Other" if you sold raised livestock, and enter "Raised" in the following "Explain" field.

#### *Part V: Sale of Cattle, Horses, or Breeding Livestock*

**Q.** What is the acquisition date of raised livestock?

**A.** Raised livestock is livestock you raised from birth. The acquisition date of raised livestock is the animal's date of birth.

**Q.** What do I do if I do not have documentation proving the acquisition (birth) date of a raised animal?

**A.** You must be able to document that you held an animal for the required period before the sale (24 months for cattle or horses, and 12 months for other breeding livestock). If you do not know the acquisition (birth) date of a raised animal, you may, at your discretion, estimate the acquisition date. After reviewing your IA 100, the Department may require that you provide more information, including your supporting documentation. If you cannot document the acquisition date, acceptable supporting documentation may include veterinary records or any other documents showing you held the animal for the required period before selling.

**Q.** On line 2, can I combine multiple animals in one row?

**A.** For raised livestock only, the sale of multiple raised animals may be combined in one row if all animals have the same type, use, and sale date. Add "raised" in the "Type of Livestock" column (Example: "5 raised cows"). In the Acquisition Date column, enter the acquisition (birth) date for the youngest raised animal. Each animal with a separate sale date must be entered in a separate row.

For livestock other than raised livestock, the sale of multiple animals may be combined in one row only if all animals have identical information. In other words, multiple non-raised animals may be combined in one row



only if all animals have the same type, use, acquisition date, and sale date. Each animal with a different acquisition date or sale date must be entered in a separate row.

**Q.** On line 4, what types of income are included in gross income from farming and ranching operations?

**A.** A taxpayer's gross income from farming or ranching includes amounts the individual has received in the tax year from cultivating the soil or raising or harvesting any agricultural commodities. Gross income from farming or ranching includes the income from the operation of a stock, dairy, poultry, fish, bee, fruit, or truck farm, plantation, ranch, nursery, range, orchard, or oyster bed, as well as income in the form of crop shares received from the use of the taxpayer's land. Gross income from farming or ranching also includes total gains from sales of draft, breeding, dairy, or sporting livestock.

*Part VI: Sale of Real Property Used in a Farm Business*

**Q.** How should I answer lines 6 through 13 if my answers have changed since the time of the sale?

**A.** Answer lines 6 through 13 according to the facts at the time of the sale, even if the facts have since changed. On line 6, check "No" if the taxpayer was not receiving Old-Age Social Security benefits at the time of the sale. On line 8, check "No" if the taxpayer was not a disabled farmer at the time of the sale. On line 10, check "No" if the taxpayer was not the surviving spouse of a farmer at the time of the sale. The "taxpayer" may be a deceased spouse, if the deceased spouse materially participated in the farm business that used the real property.